

Aotearoa

# Socialist Review

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*For a democratic socialist alternative*

Winter 2006

The bosses' right to fire:

**90 Day Bill**

What about the  
workers?

Rich & Poor in NZ Timor & Solomons Happy Valley

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Where every boss gets a bargain!

# Wayne's Law: make the workers pay

If you feel stressed out from overwork and money worries, you're not alone!

In the 1980s, Labour Finance Minister Roger Douglas introduced neo-liberal economic policies promising "short term pain for long term gain". Two decades later, and Douglas is looking like a malevolent leprechaun promising a non-existent pot of gold at the end of the rainbow.

Of course, every cloud has a silver lining. Neo-liberalism's silver lining has been pocketed by a small minority at the top of the heap, as Dr Brian Roper demonstrates in an article taken from his recently released book. The costs have been borne by the working class and disproportionately by the most vulnerable - child poverty is a growing scandal we also cover in this issue.

Not only have bosses gained from our pain, but like the slumlords that have sprung up like fungus in NZ's rental market, they have failed to pay for basic upkeep. Productivity has fallen relative to other developed economies, as the OECD, and Statistics New Zealand have shown, because business has under-invested in new machinery, and equipment (28% behind the OECD average), and under-invested in research and development. NZ business relies for economic growth on labour market growth (more people working longer) and taxpayer-funded research and development, which is 40% above the OECD average.

## Mapp's 90-day bill: enough is never enough

Working-class families in New Zealand may feel caught in a vice, but according to National MP Wayne Mapp, we can sacrifice more for the good of the "business community". Mapp, with the support of United Future, New Zealand First, and the Maori Party, wants to make it legal for a boss to fire workers without any excuse for up to 90 days after they are hired.

Mapp says this would stop bosses being stuck with bad workers. But it's already too easy for bosses to hire and fire. Mapp's bill is not targeted at getting young workers into jobs, but cutting wages for everybody. Imagine you've been working for a boss for five years then he hires someone for half your pay under Mapp's bargain basement worker scheme. Would you be confident to demand a pay rise or refuse a pay cut?

Mapp's plan is supposed to help the small business man, who, we are constantly told, is the backbone of the economy and the salt of the earth. You wouldn't guess that the profit rate per employee in businesses with one to five employees is the highest of any sector. The Otago Daily Times reported in late April that average real profit per employee in this sector rose from \$26,296 in 2003 to \$31,169 in 2004.

And as for the idea that it's too hard for small businesses to hire and fire: the Times trumpeted that this sector

*Real wages in New Zealand have been slashed by almost 20 per cent in the last 16 years. The average ratio of household debt (including hire-purchase and student loans) to income has ballooned to 150%.*

*House prices, rents, and mortgages have swollen. Work-time is demanding more and more of our lives.*

created more jobs than any other between 2000 and 2005 – 93,860. It also had to admit that more jobs were lost here than in any other sector – 82,790! Small businesses not only pay lower wages, make bigger profits, but also contribute more to the job insecurity that holds wages down!

Mapp is testing the water, to see whether more profit can be extracted from working people. But he relies on the Maori Party, whose working-class supporters are unlikely to appreciate such a move. Demonstrations against Mapp have been called by the trade unions. The anti-Mapp campaign could link together the many industrial struggles that are underway right now.

The International Socialist Organisation has always supported workers struggles here and now to the greatest of our abilities. Join us, and increase our strength and your own.

# Workers newspaper launched

*The growing gap between the reality of people's lives and news coverage is one of the major scandals of the present time. The launch of a newspaper by and for workers, the Workers Charter, is a welcome development.*

*By the Socialist Review editorial committee*

We are told constantly in the press and on TV that we are now enjoying the good times, or even perhaps living beyond our means. But as any reader of Socialist Review already knows, the "good times" have brought nothing better than a slow but inexorable squeezing of the vice for workers and their families.

The mass media is an essential part of democracy – without reliable information it is impossible for people to participate in politics. But, just as political equality is hamstrung by economic inequality, the free press is kneecapped by the profit model. Newspaper owners and editors belong to a privileged elite who have no interest in encouraging mass participation in politics.

In New Zealand, there is only one major newspaper that is not controlled by a multinational, the Otago Daily Times - living proof that small business is as conservative as big businesses. Internationally, media monopoly is the rule.

During the 1980s and 1990s,

business pushed the cost of economic recession onto the workforce. The mass media played a key role in demoralising, confusing and disarming opposition to these changes. Unions were portrayed as dinosaurs, public ownership was inefficient and out-dated, laid-off workers were redundant. The "modern" solution was 19th century style free market capitalism.

Twenty years later, the results of this obsolete economic policy are obvious in infrastructural breakdown, especially in the transport and energy sectors, and the growing gap between the rich and poor. But the well-heeled media executives, TV anchor-women, and newspaper editors, inhabit a parallel universe where the economic reforms of the 1980s brought prosperity (and lattés) for all.

Late in 2005, a Workers' Charter was launched in Auckland after a conference attended by trade unionists (especially from the fast-food workers union Unite), "...the complete socialists and other leftists. Modeled on **the transformation of** workers' **our society to serve** movement that won **the needs of the** Britain, the intention **majority rather than the greed of** was that the draft Charter would be **the minority..."** The taken to work sites and other places for discussion and endorsement.

The Workers Charter contains a series of statements attempting to define a set of basic workers rights.

The charter lists as core rights

the right to a living wage, pay equity, free healthcare and education, decent superannuation, welfare, and housing and the right to strike in defence of our interests. Access to such rights it argues; "can only be secured by... the complete transformation of our society to serve the needs of the majority rather than the greed of the minority."

The Workers Charter movement has also launched a national monthly newspaper that aims to link strikes and protests to help them unite into a new, militant workers movement. Socialist Review and the International Socialist Organisation, welcome any project that can strengthen the hand of working people in NZ. A newspaper that shares information about struggles on a national level is an essential step towards rebuilding the left.

If the Workers Charter takes off we will be delighted, and we will be doing our bit to distribute it; but the Workers' Charter newspaper faces considerable difficulties.

Businesses are not going to advertise in a newspaper that encourages employees to strike. The

newspaper has the support of the UNITE union and a variety of activists (including the Auckland-based Socialist Workers group), but no effective national network of writers, distributors, and readers. While there has been an upturn in

industrial action in the last year or so, there is no tidal wave of struggle that a new workers newspaper could ride on.

These difficulties – lack of resources and depoliticised workers and students – are ones that every revolutionary movement has had to deal with at one stage or another. The question is how best to build our strength despite these difficulties. For the last twenty years of pro-business policy, there have been predictions – based more on hope than fact – of an imminent eruption of working-class anger. Without this, the newspaper may not last. The temptation to chase quick growth through publicity stunts or superficial alliances with Labour, Green or Alliance reformists is something that we understand but are wary of. All too often, leftists trade their principles and hard work in return for a short-lived publicity boost.

What the socialist tradition has to offer strikes and protest movements is ideas that can win. But it takes steady, hard work to get to a position where we can have a positive influence on protest politics. There are no shortcuts. The strategy of the International Socialists is to steadily recruit politically conscious students and workers through the strength of our explanation of the capitalist economic crisis and its effects, until we are strong enough to launch and sustain a newspaper that can provide the scaffolding for a nation-wide movement. If you are looking to join the fight for a better world, then we urge you to join us.

[www.workerscharter.org.nz](http://www.workerscharter.org.nz)

# Youth workers show the way to win better pay

*Since early 2005, fast food workers, united in the “Supersizemypay.com” campaign have been pushing for a \$12 minimum wage. Most fast food workers are young people who have traditionally been pretty powerless against their multinational employers. But the Supersizemypay.com campaign has brought their fight to the fore, gaining significant victories*

Youth rates, minimum wages and job security affect us all. Forty percent of 11 to 14-year-olds are estimated to work at least occasionally, almost 25 percent of 15-year-olds are in regular part-time work, and nearly 40 percent of 16-year-olds and 50 percent of 17-year-olds are in employment. (Hyslop, D. and Stillman, S. (2003) Youth Minimum Wage Reform and the Labour Market.) Cuts to the student allowance means students also often work to survive. Any struggle to raise the minimum wage will always benefit students by raising wages in general.

## Unions

Real wages in Australia are 30% higher than in New Zealand, and yet 30 years ago,

they were the same. This is a legacy of 15 years of pro-business employment law in New Zealand. The Employment Contracts Act introduced by National in 1991 effectively ruled that a collective agreement should never be better than an individual contract. It refused union officials entry to workplaces and banned strikes except during a tightly-defined negotiation period. Workers under one contract were not allowed strike in support of workers employed under a different contract. Labour's Employment Relations Act gave unions improved access, but kept the ban on the right to strike in place.

These right-wing laws were greeted with massive public opposition, but the trade-union leadership, softened up by decades of co-operation with bosses and then traumatised by the job-losses of the 1980s, were unable to lead the fight.

A \$12 minimum wage is not a pipedream - in Australia \$12.30 is the minimum adult rate - due largely to the unions keeping up wages as a whole. It from being pushed down as ours was during the 90s.

## McDonalds Vs SuperSizeMyPay

McDonalds has tried to crush the Supersizemypay campaign through intimidation, coercion and bribery. In the lead up to the March 3rd picket outside

the Queen St McDonalds in Auckland, Sherilyn Webb, age 16, said, "My entire store was told by the manager that it was against the law to strike, which scared other union members who had wanted to go on strike into staying at work. They were too afraid of what might happen if they went on strike."

"I decided to strike because I felt someone had to stand up to the intimidation and show other workers that it was possible to walk out and still keep your job. I'd be lying if I said I wasn't scared, but I know what my rights are and I felt I had to defend all union members' rights."

It is every workers' right to strike and to organise themselves in unions, but McDonalds have made it as difficult as possible for an employee to join the union. After the government-ordered minimum wage rise to \$10.25 in March, McDonalds told staff that non-union workers would get the rise three weeks early. Union members could receive the pay rise if they deserted UNITE.

As SuperSizeMyPay.com campaign co-ordinator, Simon Oosterman said, "McDonald's is willing to

spend a quarter of a million dollars to break a small community union that is trying to get a better deal for minimum wage workers. Whatever the company's claims, the reality is that they are paying people not to be in the union," ([www.supersizemypay.com](http://www.supersizemypay.com))

## Winning change

The campaign has won substantial concessions from other companies. Restaurant Brands recently agreed to pay increases between 7.9% and 14.2% for over 7000 workers in KFC and Pizza Hut, and a 75c per hour rise for all Starbucks workers. Restaurant Brands also recognised that youth workers do equal work to other employees and should be paid equally. They have agreed to phase out youth rates, initially by immediately raising the youth wage to 90% of that of the adult wage.

Restaurant Brands has also extended paid breaks from 10 minutes to 15 minutes, and agreed to give more job security to its workers. On the back of the SuperSizeMyPay campaign, the Engineering Printing and Manufacturing Union (EPMU) got BP petrol stations to agree to remove all

youth rates.

The victory won by Restaurant Brands workers should be an inspiration for all workers as an example of what can be won if you are willing to stand up for your rights at work. But working together in unions or simply as a collective is essential. The power of the working class - and that almost certainly means you - lies in its unique position within society as the producer of all wealth. When we collectively act to demand change, the bosses have no choice but to listen.

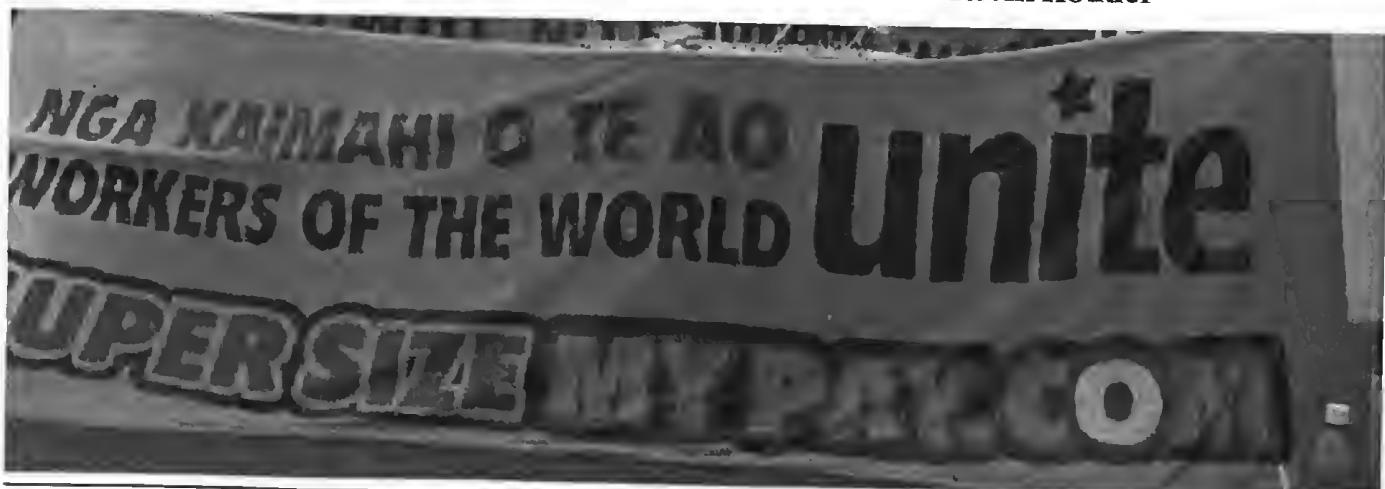
If you believe that conditions within your workplace could be improved, try to convince your workmates of the same. Join your union: it will cost you a mere 1% of your weekly pay and from that you stand to gain wage increases that will more than compensate.

As individuals we can do little. To resist being pushed down we have to join together and form a hammer with which to strike back.

For more info on UNITE and Supersizemypay, see [www.unite.org.nz](http://www.unite.org.nz)

For other unions see the NZCTU site [www.union.org.nz](http://www.union.org.nz)

**Kevin Hodder**



# Child Poverty in New Zealand

***Another budget, another huge surplus, with money for roads, (even though many of us are not going to be able to afford to drive on them for much longer!), and even \$80 million to help re-equip the army – but not much or those who have suffered considerably over the past decades – children.***

Once again the Labour Government has followed in the miserable footsteps of the National Party of Bill Birch, Jenny Shipley and Ruth Richardson and punished children in beneficiary families by not introducing steps to reduce the level of poverty.

The arrival of the Labour government to office in 1999 brought hopes from many people that poverty would be reduced but Labour quickly signalled they were more concerned to balance the books rather than improve the lives of the estimated 230,000 children who live in poverty.

Greatly increased poverty has been an obvious consequence of freemarket reform in New Zealand during the 1980s and 1990s. In 1988 children in sole parent families had a 16.5% chance of living below this poverty line, in 1997/98, just before the election of Labour they had a 59.3% chance and now this has risen to a 66.3% chance. For this group, poverty has increased under Labour. Children in a family where the main income was an income

tested benefit had a 26% chance of living in poverty in 1987/88, rising to 61.7% in 1999 and remaining much the same under Labour.

Labour's response – the Working For Families package did not arrive until 1994 and won't come fully into force until 2008 – nine years after they were elected into office! And even then unemployed families will benefit little, despite warnings of the future cost to

society.

As a United Nations report puts it "many of the most serious problems facing today's advanced industrialised nations have roots in the denial and deprivation that mark the childhoods of so many of their future citizens" (UNICEF 2000:3)

For further information on child poverty in New Zealand: [www.cpag.org.nz](http://www.cpag.org.nz)

**Alf King**

**Table 1: Proportion of population with net-of-housing-cost incomes below 60 percent of median (benchmarked to 1998, 1988, 1993, 1998 and 2001)**

	1987-88	1992-93	1997-98	2000-01
Total Population	12.7	26.7	22	22.6
	Total Dependent Children	14.6	34.7	27.5
	Children in sole parent families	18.5	65.6	59.2
	Children in two parent families	13.8	27.5	18.5
	Total economic families	14.0	28	23.2
Economic families*	With 1 dependent child	11.5	30.1	25.2
	With two dependent children	11.7	32.9	23.5
	With three or more dependent children	18.6	40.8	30.7
	Solo parent families	17.4	62.5	51.6
	Two parent families	12.4	25.1	17
Economic families	With any Maori adult	14.0	41	31.2
	With any Pacific adult	24.4	48.9	44.3
	With any "Other" ethnic grp adult	23.6	42.8	53.7
	With any European adult	12.6	23.3	18.5
Economic families with main source of income	New Zealand Superannuation	7.0	8.4	9.9
	Income-tested benefit	26.0	74.3	61.7
Housing tenure (households with one family unit)	Rented	n.a.	43.3	37.2
	Owning with mortgage	n.a.	24.3	15.3
	Owning without mortgage	n.a.	4.9	3.7

Source: Table 18, (Ministry of Social Development, 2004a)

\* Economic families are used as the income-sharing unit here - see glossary

# The Reality of Class Inequality in Aotearoa

*Neo-liberalism's silver lining has been strip-mined and pocketed by a small minority at the top of the heap, as Dr Brian Roper demonstrates in an article taken from his recently released book, "Prosperity for all? Economic, Social and Political Change in New Zealand since 1935". Even though statistical evidence and the real lives of most New Zealanders agree that the system is delivering great wealth to a tiny elite and harder, longer work to the rest of us, Dr Roper is one of a small handful of academics in New Zealand who has done any serious research on this subject. His book is a storehouse of knowledge that helps explain history and current events from a Marxist - that is to say - from a working class point of view.*

Income and wealth has always been unequally distributed in New Zealand society, even during the long boom of the 1950s and 1960s when it was generally assumed that it was an egalitarian society free of class divisions (Gould, 1982, pp.32-6; Easton, 1983, p.188). However, there have been significant historical shifts in the overall pattern of income distribution. In this regard, the post-war era can be divided into two distinct periods. The first period from 1945 to 1974 was characterized by a small but significant decline in income inequality (p.7). The second period from 1975 to the present has been characterized by a sharp rise of inequality with respect to the distribution of income and wealth.

Easton (1983; 1997a) observes that although between 1951 and 1976 income became slightly more equally distributed, by 1976 income was still clearly distributed in a

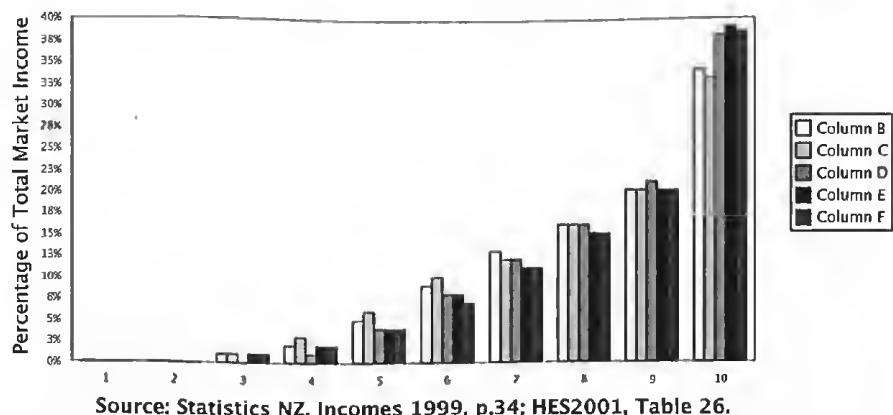
highly unequal manner. According to his review of the census data, in 1951 the richest 10% (decile) of the adult population earned 38.5% of total market income while the bottom five deciles earned only 4% (1997a, p.265). The richest 20% (quintile) of the population earned 58.6% of total income while the remaining 80% earned just 41.6% (p.265). In 1976, the richest decile earned 34.6% of total income while the bottom five deciles earned only 7.7% (p.265). The richest quintile earned 54.4% of total income while the remaining four quintiles earned just 45.8% (p.265).

There is now abundant evidence that the distribution of both market income, that is income such as wages, salaries, rents and profits, and disposable income, that is total after-tax income including benefits and other state transfer

payments, became increasingly unequally distributed following the collapse of the long boom in 1974 (Dixon, 1998; Martin, 2000; Mowbray, 2001; O'Dea, 2000; Podder and Chatterjee, 1998; Statistics NZ, 1999). The growth of inequality became particularly dramatic as successive Labour and National governments implemented neoliberal policies from 1984 onwards.

As Stocks and others observe, "market income - income prior to any government redistribution - became less equally distributed among households during the 1980s" (1991, p.9). Furthermore, an investigation by the Rowntree Foundation found that income inequality in New Zealand had increased at a faster rate than any other OECD country during the 1980s (1995, p.14). According to the Income Distribution Group, "for individual employees in general, real incomes fell during the 1980s. Only for the top fifth of full-time employees did the purchasing power of their after-tax income increase over the decade" (1990, p.14). The richest quintile of the population earned 54.4% of market income in 1981/82, 54.6% in 1985/86 and 55.8% in 1987/88 (1990, p.11). The poorest three quintiles earned just 16.7% in 1981/82, 17.5% in 1985/86, and 15.9% in 1987/88 (p.11). The richest quintile, in particular, benefited most from the regressive taxation reforms

**Figure 2.1**  
**Distribution of Personal Market Income by Decile, 1982 to 2001**



2.1 (*Shares of Personal Market Income Received by Each Personal Market Income Decile, 1982-2001 @ Incomes 1999, p.32*)

of the Fourth Labour Government: "the degree of change in inequality at the top of the distribution in New Zealand after 1985-86 is ? nothing short of remarkable" (Saunders, 1994, p.108). The richest decile gained a 13.5% rise in real disposable income between 1980 and 1994 (Stephens and others, 1995, p.105).

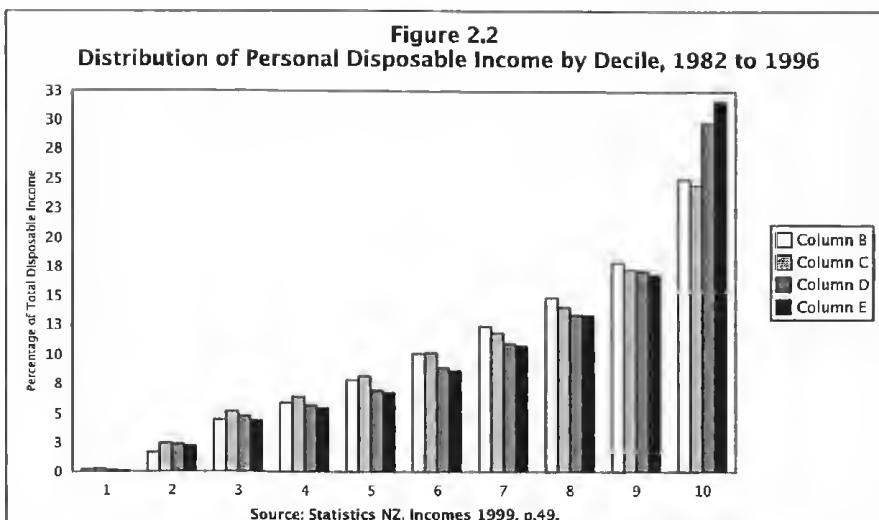
The Fourth National Government's social and taxation policies of the 1990s, which can be accurately summed up as 'tax cuts for the rich, benefit cuts and user-pays for the poor', further increased inequality during the 1990s. In 1991, the richest decile of the population earned 38% of total market income while the bottom five deciles earned only 5% (Statistics New Zealand (SNZ), 1999, Excel table 2.15). The richest quintile earned 59% of total income while the remaining four quintiles earned just 41%. In 1996, the richest decile earned 39% of total income while the bottom five deciles earned only 7%. The richest quintile earned 59% of total income while the remaining four quintiles earned

just 41%. In a comprehensive survey of the existing studies of income distribution in New Zealand, O'Dea observes "the average incomes of those in the top tenth of households have risen significantly in real terms between 1982 and 1996. Average real incomes of those in lower and middle-income groups fell" (2000, p.10). The remarkable propensity of New Zealand's capitalist 'free market' economy to distribute income in a highly unequal manner across the population as a whole is depicted clearly in Figure 2.1.

It is important to recognise that these figures understate

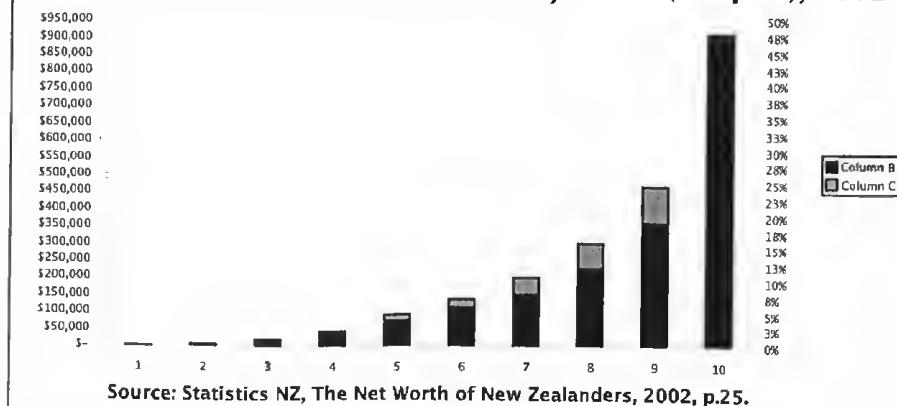
the actual income of the poorest quintiles because, being non-wage earners, individuals who receive no market income generally receive some kind of income support from the state (for example, welfare benefits and superannuation). Hence disposable household income is more equally distributed than market income. This is clear in Figure 2.2.

Nonetheless, although disposable income is more equally distributed than market income, it is still distributed unequally and, in fact, the unequal distribution of disposable income increased significantly from 1988 onwards. Between 1988 and 1998, the real disposable income of the richest quintile increased by 26.5%, while the remaining four quintiles experienced a decline of -2.8% (Mowbray, 2001, p.23). In 1996, the richest decile got 32% of total disposable income, and the richest quintile 49%, while the poorest five deciles got 18% (SNZ, 1999, Excel table 3.17). By 1994, The Economist ranked New Zealand as the third most unequal country in the OECD



2.2 (*Distribution of Personal Disposable Income Across Personal Disposable Income Deciles, 1982-1996 @ Incomes 1999, p.49*)

**Figure 2.3**  
**Distribution of Positive Net Worth by Decile (Couples), 2001**



2.3 (*total net worth by decile* @ Stats NZ, 2002: 22)

(1994, 5 November, p.20), and by 1996 New Zealand had surpassed Australia to become the second most unequal country (O'Dea, 2000, pp.25-26).

Personal wealth is even more unequally distributed than income. This is clear from the available statistics, even though the collection of reliable wealth data is notoriously difficult, both for methodological reasons and because the wealthy tend to disguise the full extent of their wealth and income for taxation purposes. Easton's data shows that "in 1966 about 20,000 people owned about one-fifth of the total wealth; and 100,000 owned half of it. Allowing for the smaller population, the situation in 1956 is not dissimilar. Thus there is a substantial concentration of wealth in few hands" (1983, p.136).

The available data suggests that wealth has become increasingly unequally distributed since the mid-1970s. In an empirical study of New Zealand's 50 largest companies, Roper (1990a, p.88-134) shows that capital ownership became increasingly concentrated and centralized from 1974 to 1987. The Income

Distribution Group (1990, p.102) study shows that in 1985/86 and 1987/88 assets in the form of houses and contents, motor vehicles and financial assets were unequally distributed across income quintiles, the richest quintile holding most of the wealth. More recently, SNZ (2002) has released a report, based on the Household Savings Survey (HSS) conducted for the first time in 2001, that provides the most systematic data currently available on the distribution of wealth in New Zealand. This survey provides "information on the level, composition, distribution and accumulation of net worth in the population" (p.14). Net worth is "the total value of assets less the value of debt" (p.15). The highly unequal distribution of net worth is clear from figure 2.4.

2.3 (*total net worth by decile* @ Stats NZ, 2002: 22).

In 2001, the top quintile held 81% of total net worth for all age groups, and 66.33% of the net worth of the wealth held by those 25 years of age or older. Of the \$366.978 billion of positive net worth, the top decile holds \$194.546 billion or 53.01% (p.3). The report observes that "there is more

inequality in the distribution of net worth than in income"; "the population of economic units in the HSS has a gini coefficient of 0.689 indicating an unequal distribution. As a comparison, the gini coefficient for household disposable income in 1996 was 0.322" (p.28).

Anecdotal evidence, such as that provided by the National Business Review's annually composed 'Rich List', suggests that these figures may underestimate both the real concentration of wealth, and the extent to which inequality in the distribution of wealth increased during the 1980s and 1990s, because so much wealth is actually owned by a very small number of 'super-rich' individuals and families that may not be covered by the survey. For example, the total wealth of the ten richest families reported in the 1987 Rich List (before the October share-market crash) was \$1.531 billion, in 1995 \$1.655 billion, and in 2003 \$3.950 billion. The total wealth of ten richest individuals was \$3.036 billion in 1987, \$1.850 billion in 1995, and \$5.115 billion 2003. In 2004, the wealth of the richest family - the Todd family - was conservatively valued at \$2.2 billion and the richest individual - Graeme Hart - was estimated to be at least \$1.4 billion (NBR, July 2, 2004, pp.43, 55). The total net worth of those included in the 2004 Rich List was \$22.326 billion, up from \$6.285 billion in 1996.

In short, the overwhelming weight of the available data suggests that since the collapse of the post-war long boom in 1974, the real incomes of the bottom 70% of the population

have fallen, while the incomes and wealth of the richest 10% have increased substantially. This experience is by no means unique to New Zealand. Saunders observes that there is "increasing evidence for a range of [OECD] countries that the distribution of income has become more unequal since around the mid-1970s" (1994, p.97; also see Dixon, 1998, p.72; Galbraith and Lu, 2001; Gottschalk and Smeeding, 1997).

There isn't space here to describe many other important empirical manifestations of class inequality, such as the growth of poverty during 1980s and 1990s, rise of unemployment, rising housing costs for the poor, restriction of working class 'life chances' for health, education and travel, alienation in the workplace and society, and the extent of industrial accidents and violence in capitalist societies. However, it is worth noting that there is "a strongly graded association between health and the socioeconomic circumstances of individuals, families, small populations, regional populations, gender groups and ethnic groups, including fatal and non-fatal health outcomes, health risks, and health service utilisation" (Ministry of Health, 2000, p.165). This association indicates that those on lower incomes have significantly higher rates of both morbidity and mortality. The increasing income and wealth inequality, described above, has meant that the incomes of the majority have declined in real terms, and that a growing proportion of the population are living in poverty.

Consequently, "increasing national income inequality has been associated with increased mortality" (2000, p.154).

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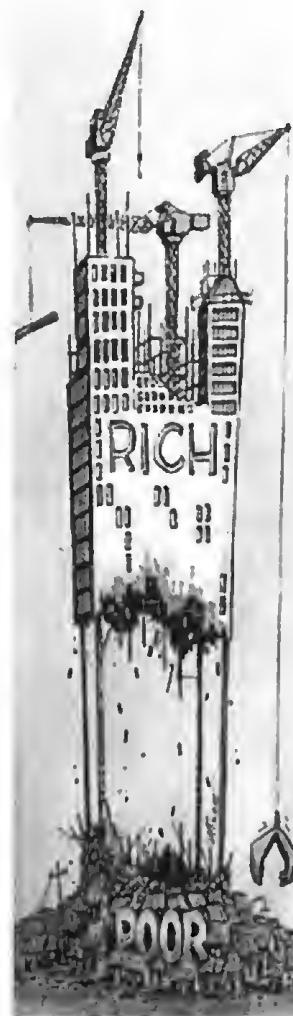
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**Brian Roper**



# Aussie workers under attack: The economics of workplace reform

**National Party leader  
Don Brash whines that  
high taxes are driving  
Kiwis across the Tasman.  
Given that taxes are  
lower in New Zealand  
and wages are higher in  
Australia, it seems likely  
the real drawcard is a  
better deal for workers.  
And that has a lot to do  
with the strength of the  
Australian trade unions  
— something that Aussie  
Prime Minister John  
Howard would like to  
end.**

After Howard won the last election there was a string of opinion pieces by commentators in papers like the Age and the Financial Review, warning that Howard had not gone far enough on "reforms", and that a do-nothing fourth-term government risked leaving Howard with no legacy as a real union-smasher.

The most pressing reason is the ongoing crisis of profitability in the system. The economic crash in the 1970s was no freak event. It ended the most sustained period of expansion in capitalism's history. Profit rates have never recovered to the levels they reached in the boom. In Australia, people are living with levels of personal debt unimaginable a generation ago. Australians now work one of the longest and most intensive

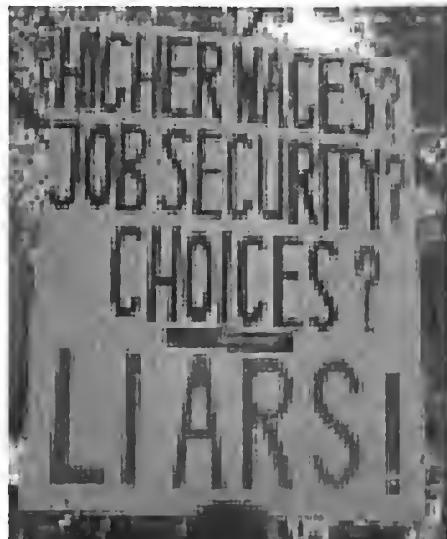
working weeks of all OECD countries – although not as long as New Zealand workers.

## Why are profit rates so low?

To understand what's going on, we have to first understand how the system works. All profits that the ruling class makes come from a single source - the exploitation of labour. That is, from the difference between what workers are paid, and the value of what they produce. But labour isn't the only thing capitalists invest in. They also need machinery, offices, computers, etc. These things can't create new value. But competition pushes companies to invest in labour-saving technology.

As labour is the source of profits, this pushes down the general rate of profit in the system. Investments in labour-saving devices that helps one capitalist get an advantage, end up hurting the capitalists as a whole when all are forced to invest to stay competitive. It is this dynamic that underpins the tendency of the rate of profit to fall.

In the early years of capitalism, regular crises of profitability could be overcome by the boom slump cycle. Crashes would wipe out the value of machines as the most inefficient firms went bust. Once the system was cleaned out, things could start over. But by the end of the 19th century, capitalist enterprises had



become bigger and more and more intertwined with each other, and with the whole structure of the state within which they operated. To destroy a sufficient amount of capital to restore profitability to the system required cataclysmic events: wars and depressions

This is what happened in the 1930s depression. Only the utter devastation of World War II was enough for the system to be able to start again on a clean footing. To get out of the crisis in the 1930s and 1940s, world capitalism was stretched to the brink of collapse. Today, the system is massively more concentrated in the hands of a few multinationals, who in turn are intertwined with each other. So when, in the 1970s, the system re-entered a period of crisis after the long boom, the ruling classes of the world were determined to prevent a total meltdown.

Unable to risk a monumental crash, the capitalist class has tried to hold up profits by clawing away at all the gains

workers have made in living standards. And it is never enough. All of these things simply mitigated the worst effects of the economic crisis, rather than solving it.

## Why Labour hasn't defeated Howard?

A cynic would say: people don't like Howard's policies but are too lazy to oppose them. But on nearly all the political questions confronting our class, people have taken action. There were strikes in 1998 to defend the Maritime Union. Racist politician Pauline Hanson faced protest after protest. The anti-war demos in 2003 were largest ever. The problem is the lack of an organised force that is prepared to lead determined resistance. The pathetic stance of the Australian Labour Party (ALP) entrenches cynicism. It can seem that resistance is futile when the only choice appears to be Howard or Beazley.

Whether it has been demonising Muslims or attacks on refugees, Labour has aped Howard. Mark Latham recounts in his diaries an appalling story of how at the first meeting of the ALP shadow ministry after the 1996 elections, most of

them wanted "to join the government in putting the blackfellas [sic] out to dry - give them a bit of a kicking to win votes in middle-class suburbia".

In its early years, Labour believed it could deliver reforms for workers and keep the bosses onside. But in today's world of relentless competition, the only way the ALP can prove itself to big business is by consistently attacking workers.

To defend living standards and democratic rights today means a head-on challenge to capitalism. This is something that the union leaders, who are just as committed to the current system as the ALP leaders, refuse to contemplate. This explains why the ACTU leadership did not immediately build on the inspiring turn-out to the mass protests against the IR laws last November by calling follow-up action.

## So what can we do?

Despite the pathetic stance of ALP and union leaders it has by no means been all plain sailing for Howard. Over the last decade there have been numerous outbursts of resistance. But no ongoing movement has emerged from

these struggles. The political decay of the left in the unions means that traditions of activism have been eroded. By and large ongoing oppositional movements have been sustained by socialists who had a critique of capitalism that went beyond the specific issue that any particular campaign focused on. The movement against the Vietnam War was built by socialists from a variety of organisations. The left in the unions was sustained for decades by the Communist Party.

A socialist party with a few hundred union delegates who were clear on the political arguments as to how to defeat Howard would make an enormous difference to the campaign against the IR laws. They could put real pressure on the union officials to call more concerted action. A socialist party that can make such a difference is not going to be built overnight. It is going to take time and concerted political argument.

**Dougal McNeill, from Socialist Alternative in Australia**



# Israel's bloody seige of Gaza

*Israel tightened its bloody siege of Gaza following the capture of an Israeli soldier in a raid on Israeli Defense Forces June 25.*

Israeli forces launched an offensive into Gaza June 27, including a rocket attack on a power station, which cut off electricity and added to the suffering of Gazans enduring economic sanctions imposed by Israel earlier this year.

Israel said it was launching the attack in retaliation for the capture of the soldier--the first prisoner taken by the Palestinians since 1994. But in reality, this was a pretext for escalating military actions that had already begun.

Israel Defense Minister Amir Peretz announced, "We intend to respond to the incident this morning in a way in which all involved...understand that the price will be painful." Israeli cabinet members hinted that Hamas leaders--including Palestinian Authority (PA) Prime Minister Ismail Haniya--were potential assassination targets, according to Israel's Ha'aretz newspaper.

Groups said to have taken part in the kidnapping--the Popular Resistance Committees, a new group calling itself the "Army of Islam," and Hamas' military wing Iz a-Din al-Qassam Brigades--demanded that Israel release from prison all Palestinian women and men under the age of 18. Prisoner support rallies took



*A Palestinian boy faces an Israeli tank with a stone during clashes between protesters and Israeli occupation army at the Karni crossing point between Israel and the Gaza Strip, on the outskirts of Gaza City (photo by Laurent Rebours/AP)*

place June 27 in Nablus, Ramallah, Hebron, Gaza and Rafah. The Nablus event featured armed Hamas activists for the first time in some 18 months. There are currently some 9,000 Palestinians in Israeli prisons.

The Israeli government responded to the soldier's capture by first sealing off Gaza. Hundreds of Palestinians were stranded on the Egyptian side of the border at the Rafah crossing, and the Egyptian government deployed 2,500 extra troops along the Gaza border to stop any chance of Palestinians fleeing if Israel invades.

All this comes after weeks of crushing Israeli violence against Palestinians.

On June 9, eight Palestinian civilians were killed and 40 wounded in a bloody massacre caused by Israeli artillery shells fired on a Gaza beach. In another attack June 20, an Israeli plane fired two Hell-Fire missiles into a crowded street in the Jabalya refugee camp in northern Gaza. At least three children were killed; 14 civilians, including seven children, were maimed.

The attacks led the Hamas military wing to end the truce it declared in February 2005.

The Israeli government claims its attacks are a valid response to Palestinian militants firing homemade rockets at Israel. However, on June 23, the British Independent newspaper



*Israeli tanks, armoured bulldozers and APCs roll into the northern Gaza Strip.*

reported, "Almost three times as many Palestinian civilians have been killed in Gaza in the past nine days as Israeli civilians in Sderot killed by Qassam rockets in the past five years."

Israeli Prime Minister Olmert stated Israel's position clearly: "I am deeply sorry for the residents of Gaza, but the lives, security and well-being of the residents of Sderot is even more important."

Tell this to Walid al-Houdaly, a political organizer who was jailed for 12 years and now lives in Ramallah.

"There is one soldier, but there have been hundreds of Palestinians kidnapped from their houses," said Houdaly, whose wife Ataf was dragged from their home by Israeli soldiers for heading up a women's organization that provided health services for poor Palestinians, in an interview with BBC News. "If the world protests about the

kidnapping of one soldier, why don't they protest about the Palestinians that have been kidnapped in the last 10 years."

To this daily violence, harassment and humiliation that Palestinians in Gaza endure, add the misery of living without numerous basic necessities. Half the population of Gaza is not getting enough to eat, according to World Food Program spokesperson Kirstie Campbell.

And, as a result of sanctions imposed on the PA by Israel, the U.S. and the European Union after the election of Hamas in January, the number of Palestinian families who live below the poverty level--\$2.70 per person per day--has increased by 9 percent already, according to a recent United Nations report.

In response to the kidnapping, PA President Mahmoud Abbas told Prime Minister Haniyeh that Hamas

must bear responsibility for the kidnapped soldier--and the bloody Israeli attack that was likely to follow.

In the run-up to the attack on Gaza, Abbas' Fatah party pushed Hamas to sign an agreement recognizing the Israeli state and renouncing resistance. On June 27, it was announced that Hamas leaders had agreed to sign the agreement, but that they had not changed their stance on the illegitimacy of the Israeli state.

With this agreement, Abbas hoped to prove to the West that Hamas would "surrender to reality" and prove its commitment to "peace," so that sanctions would be lifted and aid restored to the PA. But with Israeli tanks plowing through Gaza, no agreement will be enough to stop Israeli's aim of starving the Palestinians.

**Elizabeth Schulte for  
Socialist Worker (USA)**

# A conspiracy theory that weakens the movement: The myth of the 'Jewish Lobby'

*The US war on Iraq and its threat against Iran are products of US capitalism's drive for global hegemony. But there is another interpretation to be found on both the fringes of the anti-war movement and in the Muslim world. It holds that the driving force behind the war is the "Jewish lobby" in the US.*

Two US academics, John Mearsheimer and Stephen Walt, have caused a considerable stir by trying to justify a variant of this view in the 23 March issue of the London Review of Books. They claim that an "Israel lobby" has a dominant influence on US policy. Their argument is fundamentally wrong and diverts attention away from the real forces behind the war and, in doing so, opens the door to conspiracy theorists who blame all that is wrong in the world on an alleged "world Jewish conspiracy".

The article begins with incontestable facts: that the US gives aid to Israel which "dwarfs that given to other states", amounting to "\$140 billion dollars since World War Two", and that since 1982 the US has vetoed 32 UN Security Council resolutions critical of Israel, more than the total number of vetoes cast by all the other Security Council members.

But the article insists that

"such generosity" is not a result of Israel being a "vital strategic asset". Israel may have helped the US at the height of the Cold War, but supposedly this is no longer so. It argues that the invasion of Iraq and the threats to Syria and Iran follow from Israeli expansionism, which is pushing the US to go against its real strategic interests. These interests would be better served by forcing Israel to accept its 1948 borders, so making it easier "to rebuild America's image in the Arab and Islamic world".

The only thing stopping this, they claim, is the influence exercised by the "Israel lobby". The article points out key positions occupied by fervent Zionists, not only within neo-con circles but also within the Democratic Party and the Senate.

But the article never explains how the "Israel lobby" has come to exercise its influence. It cannot be the voting power of those of Jewish descent. The 30 million Latin Americans in the US have never had such clout, and nor have the millions of Irish descent.

And why would US multinational corporations, whose owners are overwhelmingly non-Jewish, be prepared to see a small group of ardent supporters of Israel exercise such influence? The reason that these great pillars of US capitalism support Israel, and an aggressive policy in the Middle East, is because they see it as being in their interest —

regardless of their own religious or ethnic background.

They have investments and markets all over the world. The more globalisation speeds up, the more they depend upon the power of the US state to protect their interests. As the centre of oil production, the Middle East is a key arena in this struggle.

The Middle East has many pro-US governments, but they usually lack the popular support needed to provide long-term stability. The US ruling class remembers the revolutions in Egypt in 1952, Iraq in 1958, Libya in 1969 and Iran in 1979. Also, Middle East governments can prioritise commercial and diplomatic relations with China, Europe, Japan, or Russia over the US.

The Israeli state has no choice but to rely on US protection and it pays for that protection by supporting US interests throughout the region. As such, they both fear movements that unite the peoples of the Middle East against the US. Israel is the willing watchdog of US imperialism.

Of course, a watchdog can have desires which are not shared by its master. It demands to be fed even when the master would prefer not to. In the same way, the Israeli state adopts an aggressive posture to the Occupied Territories, despite the fact that this is not in the immediate interests of US capitalism. For the US, this behaviour is the price of having an ultradependable ally.

The US ruling class sees Israel as a US base, almost as part of its own national territory. It is hardly surprising then that it has no objection to the most ardent defenders of Israeli expansionism holding important positions in the US political establishment.

People who see the "Israel lobby" as being behind US imperialism get things completely the wrong way round. They believe that US capitalism could strive for its worldwide interests without militaristic, imperialist adventures — without watchdogs. And that opens the door to those who want to absolve capitalism from blame for its crimes by talking of conspiracies by religious or ethnic minorities.

**Chris Harman**

**From Socialist Review (UK),  
May 2006 (abridged)**

# Peacekeeping and Imperialism

*The war in Iraq has cost hundreds of thousands of lives and plunged that country into chaos. This war was widely condemned as illegal under international law because the US invaded without a UN mandate. But the precedent for such an invasion had already been set by the NATO "humanitarian" bombing of Yugoslavia in the 1990s. The Australian and NZ-led intervention in East Timor – where human rights are used as cover for global power politics – was another model for the Iraq war.*

**S**ince East Timor, western military adventures have been launched into a number of former colonies - the US marines briefly occupied the capital of Liberia, the British military secured a compliant regime in Sierra Leone, and the French military destroyed the Ivory Coast air force and

occupied some bases in that country - all justified more or less as peace-keeping operations.

The New Zealand government makes a false distinction between the US occupation of Iraq and Afghanistan. Iraq was motivated by greed - Labour Cabinet minister Pete Hodgson went so far as to agree that George Bush has the blood of innocent Iraqis on his hands - but in Afghanistan the US is supposedly upholding law and order.

But underlying the collapse of law and order in Afghanistan is the same long-running recession in the global economic system that has destabilised Liberia, East Timor, the Solomon Islands, and many other third world countries. After WWII, the world enjoyed the longest economic boom in history, encouraging many to believe that capitalism had finally been perfected and could grow without limit.

But the oil shocks of the 1970s ushered in a period of



*Learning from history: cabinet minister Phill Goff in the Solomons (left) and former Indonesian dictator Wiranto Suharto (right)*



*Disarming the population: Australian peacekeepers in East Timor (left) and the Solomons (right)*

economic recession. The US lost its economic dominance and the monolith of Stalinism crumbled. Margaret Thatcher, Ronald Reagan, and in NZ, David Lange and Roger Douglas, proclaimed that the only salvation lay in privatisation, cuts to welfare, health, education, and wages and conditions. As they put it, there was no alternative to becoming "lean and mean", "cutting the fat out of the system", and putting up with "short-term pain for long-term gain".

But in the already impoverished third world, there is no fat to cut. In countries like the Solomons, public spending cuts often undermine the very basis of the state. The result is increased corruption at the top, and poverty and mistrust of politicians at the bottom. All too often, unscrupulous politicians have blamed poverty on traditional ethnic rivals instead of on the imperialist powers that still dominate economic life in the third world - leading to civil war.

Every country has its own specific history, but internationally the trend is the same. The response of western governments is also the same - a combination of police,

military, and neo-liberal capitalism.

But it's capitalism that has failed because, by creating vast inequality, it has undermined its own efficiency. Because the natural and human resources of the third world can be so easily exploited, there is less profit in investing in development. The enormous waste of potential that is Africa is not a scar on the conscience of the world but proof that capitalism is obsolete. Reliance on Western military or police only increases the inequality of the relationship and worsens the cause of the problem.

If, like Green MP Keith Locke, you support "peacekeeping" in the third world then you have accepted the lie that the blacks are to blame for their own misfortune. But global

inequality is the root of the problem. One simple way to fight for equality is to fight for free health and education here - not just for NZ citizens but for the people of the Pacific too. To steal a free-market slogan, "a rising tide lifts all ships."

The Solomons is not a unique case. East Timor is in the same dire position, and military and police intervention in Afghanistan is part of the same problem - as is Iraq. The Greens put NZ "national interest" first, and so blind themselves to this reality. We have to build an anti-war movement that can expose bogus "peace"-keeping missions, because otherwise we'll be trapped into the police logic that sees tear-gassing protestors as the only way out of crisis after crisis.

**Andrew Tait**



Cartoon by Peter Nicholson/The Australian.

# East Timor's long night



Falantil freedom fighters: The East Timorese have a proud history of armed resistance to colonialism - against the Portuguese and the Indonesians. Their constant struggle - plus the Indonesian revolution - won independence - not Australian intervention.

In 1949, an Indonesian national liberation movement forced the Dutch out of the "Dutch West Indies", including West Timor, and Indonesia was born. But East Timor remained under Portuguese control until revolution in Portugal overthrew the fascist government in 1974. East Timor was finally free in 1975 after 455 years of colonization! Fretelin, the leading East Timorese political party was inspired by the Portuguese revolution and revolutionary movements in other Portuguese colonies.

But that same year, Indonesian dictator General Suharto, who had come to power a decade earlier by massacring hundreds of thousands of leftists, invaded East Timor. Only Australia officially recognized the annexation; but the US supplied 90 percent of the weaponry Indonesia needed for a bloody war of occupation, in

which between 100,000 and 250,000 Timorese died from war and famine - almost one third of the population. New Zealand and Australia provided military training and maintenance for Indonesia.

The 1997 Asian financial crisis

Timor was first colonized by the Portuguese in 1520. The Dutch took the western part in 1613. Portugal and the Netherlands fought over the island until an 1860 treaty divided the island in two. Australia and Japan fought each other on the island during World War II; at the cost of about 50,000 East Timorese lives.

exposed the deep corruption of the Indonesian regime and provided the spark to mass protests that overthrew Suharto in 1998, allowing an independence referendum to be held in East Timor in 1999. But between the pro-independence referendum result and the arrival of a UN



force in September 1999, anti-independence Timorese militias - organized and supported by the Indonesian military - commenced what the CIA describes as a large-scale, scorched-earth retribution campaign (and they should know). The militias killed approximately 1,400 Timorese and forced 300,000 people into West Timor as refugees. The majority of the country's infrastructure and nearly 100% of its electrical grid was destroyed.

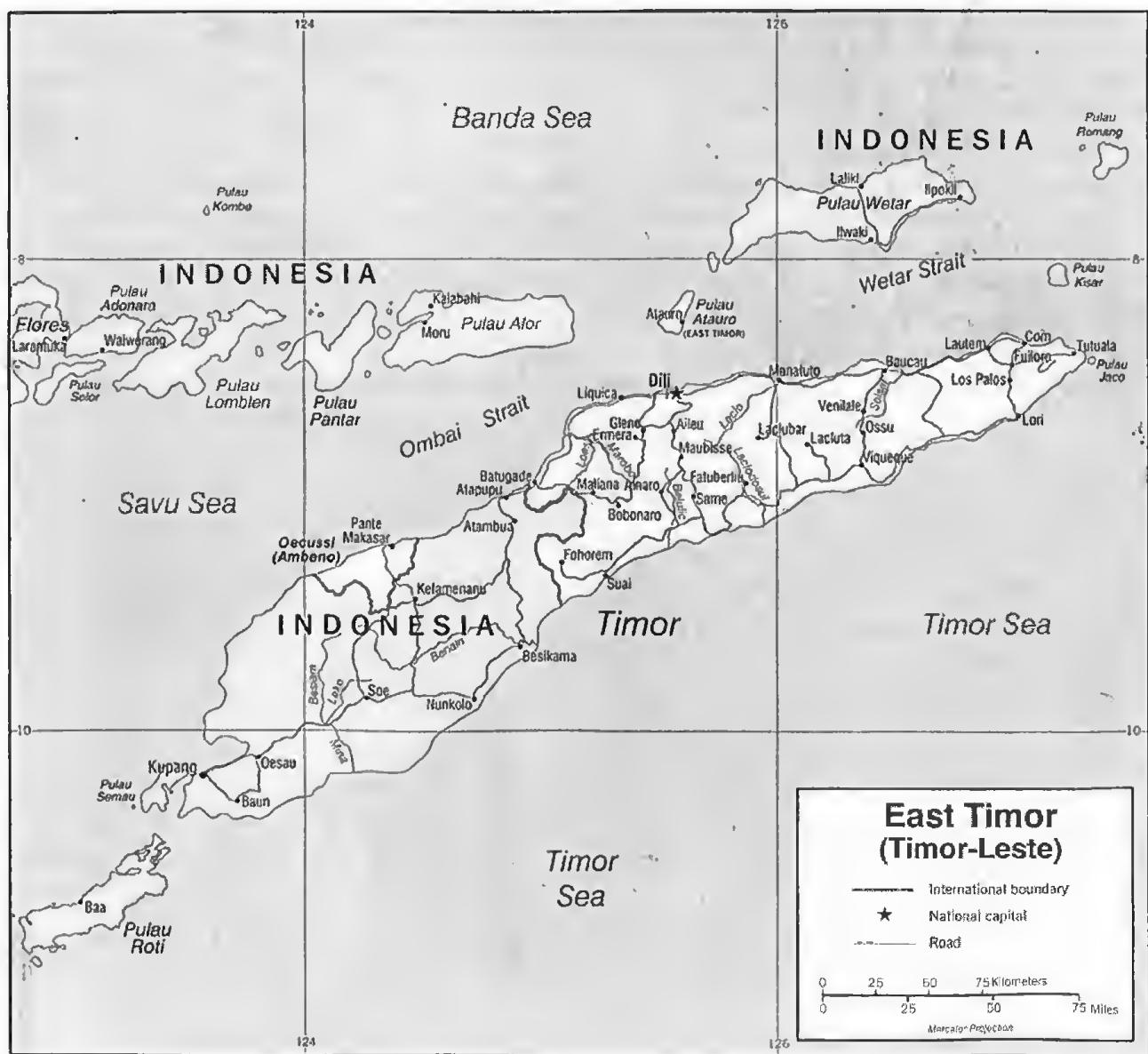
Australia and New Zealand, for so long Indonesia's chief

supporters, now paraded as the guardians of East Timorese independence. Greens defence spokesman Keith Locke led demands for New Zealand to be in the forefront of the invasion. Australia dominated the UN Transitional Authority in East Timor (UNTAET) that governed the territory until 2002, when nationhood was declared and former insurgent Xanana Gusmão elected president.

East Timor now has the lowest per capita GDP (purchasing power parity adjusted) in the world, despite rich oil and gas deposits in the

East Timor Sea between Australia and Timor. The deposits are much closer to Timor than to Australia, but a 1989 deal between Indonesia and Australia gave Australia control of 85% of the sea and most of the oil. After years of wrangling, the two countries agreed in May 2005 to defer the redrawing of the border for 50 years and to split the oil and gas revenues down the middle – even though under normal international law, East Timor would get the lion's share.

**Mike Tait**



**East Timor  
(Timor-Leste)**

— International boundary

★ National capital

- - - Road

0 25 50 75 Kilometers  
0 25 50 75 Miles  
Margin Projection

Base 802930 (C00473) 2-03

# Solomon Islands

*As pictures of burning cop cars in the Solomon Islands flickered across our TV screens, the New Zealand parliament - including the Greens - voted to send more troops and police over to ensure "law and order". But in the Solomon Islands, law and order, and "business as usual" means nothing more than the continued rape of natural resources and ransacking of public services for the benefit of international business, especially in Australia and New Zealand.*

Although it is rich in gold, bauxite, fisheries, and forests, one of the first exports of the Solomons in the late 1800s was people – but not willingly. Under a practice known as “blackbirding”, Queensland sugar-cane farmers were kept supplied with workers including Solomon Islanders and Aborigines who were kidnapped from their homes. Ostensibly to stop this illegal practice, and also to stop the spread of the German Empire (which also claimed part of New Guinea and Samoa), Britain grabbed the Solomons in the

1890s.

Since then, economic development in the Solomons has been distorted by the needs of foreign capitalism, not for Solomon Islanders themselves. During the Second World War, competition between the US and Japan spilled over into total war – and the Solomons were one of the major battlefields of the Pacific war. Then from 1945 to independence in 1978, the Solomon Islands were returned to the British Empire, and often administered by white Australians and New

Zealanders.

The country is not poor – since independence it has earned more than \$US2 billion from timber and fish and received about \$US1.6 billion in aid (in 1998 dollars). But most of this money has gone to enrich a small elite, who then have a stake in maintaining the super-profits of the multinationals.

But after the 1997 Asian financial crisis, the Solomons lost most of its income. The Asian Development Bank estimates that the crash of the market for tropical timber reduced Solomon Island's GDP by between 15%-25%. The Solomon Islands Government was bankrupt by 2002. On Aussie, NZ, and IMF “advice”, government spending was cut to the bone – the result was tribal war.

**Mike Tait**



*Tailings from the Australian-owned Gold Ridge mine - projected to amount to as much as 30% of GDP.*

# Land Rights in the Solomon Islands and Aotearoa

*The Greens loudly proclaim their support of indigenous land rights, but their support for the "national interest" of Australia and New Zealand, which are both still minor imperial powers in the Pacific, means they are supporting the same policies that justified the colonisation of Aotearoa and Australia.*

In the Solomon Islands, 90 per cent of land is still tribally owned, and about 75 per cent of Solomon Islanders work in traditional agriculture. Now that the right-wing mantra that freeing the market from state interference will result in political and economic harmony has been proven false in the Solomons, this collectively owned land is the new target.

Not disillusioned by the failure of the neo-liberal spending cuts they advocated, free-market ideologues like the Australian Centre for Independent Studies (CIS) now argue that privatisation has not gone far enough.

CIS pundit Susan Windybank argues that "Only if security provides the foundation for economic reform - starting with private property rights in land and going on to changes throughout the economy to create labour-intensive



*The prophet of Parihaka, Te Whiti O Rongomai, who along with Tohu Kakahi was one of the leaders of Maori resistance to land sales in the 1800s. His followers would barricade roads and rip up surveyors' pegs, for which hundreds were arrested and imprisoned in the South Island, where they were forced to build roads and infrastructure in cities like Dunedin.*

employment - will there be lasting progress." (Australian, 20.05.06)

In other words, for capitalism to flourish, Solomon Islanders must be separated from their land so that they will work for a wage. This is nothing new – in fact it is the basic starting point for capitalism in every country. As Evan Te Ahu Poata Smith argues: "In Aotearoa the systematic commodification of labour-power required the separation of a growing proportion of the Maori population from the land, which had for centuries provided them with an adequate subsistence, thereby

giving them no alternative but to sell their labour-power for a wage. This process was not just a unique feature of capitalist development in Aotearoa. Indeed, the development of capitalism in Europe centrally involved, '...the historical process of divorcing the producer from the means of production' (Marx, 1976).

This is the logical next step for the Australian and New Zealand occupiers. No one who supports tino rangatiratanga here can support imperialism in the Solomons.

Andrew Tait

# They Said it



beyond the

## Roger Peren

NZ Ambassador Roger Peren after an Indonesian-sponsored tour in 1978. For more info:

<http://www.converge.org.nz/pma/cra0946.htm>



"The Timorese are] poor, small, and riddled with disease, and almost totally illiterate...Considered as human stock they are not at all impressive..."

NZ Ambassador Roger Peren after an Indonesian-sponsored tour in 1978. For more info:

'Our Failing Neighbour', a report from the Australian Strategic Policy Institute



New Zealand

"They (the Australian government) are very happy with the relationship that exists, they are very happy with New Zealand's efforts in the Solomon Islands and in Afghanistan, they are very happy with the modernisation that is occurring in the New armed forces."

Defence Minister Phil Goff, wagging his tail after being patted by Brendan Nelson, his Australian counterpart.



"I want to go back to the origin of the problem there [in the Solomons]. I think, to a large extent, it is the result of overseas interests such as Malaysian logging interests corrupting the political system to their own ends." Keith Locke's indepth analysis of the problem (1 July 2003), and his solution: "The Green Party supports our police going to help the Solomon Islands people to help them move to a situation where the rule of law applies... We are very grateful to those police who will go on this operation for what they do, and for the sacrifices they will make. The Green Party wishes them well in their work over there."

# The politics of aid



China's rapid economic growth has meant bigger aid packages and export deals for Pacific Islands. According to the right-wing Centre for Independent Studies, the South Pacific has been chosen as an arena where China can challenge the power of the US. Chinese aid also fosters corruption. Professor Stuart Harris, South Pacific analyst at the Australian National University, told Reuters recently that "You can disorient a government in the Pacific islands with a very limited amount of money - just a few bribes to the right people at the top and you have undermined the whole governing system." But it is the poverty of these countries in comparison to multinationals and advanced economies that makes them vulnerable to corruption - and makes corruption such a valuable tool for dominating the Pacific, whether by Beijing or Canberra.

# Saving (Un)Happy Valley

*New Zealand faces an energy crisis. We could invest tax dollars in alternative energy and better housing... or just dig up more coal.*

**S**tate-owned Solid Energy aims to do just that - and destroy a pristine native environment in the process. Since January, activists have put their bodies on the line to save Happy Valley, with a continuous occupation to stop the mine. Happy Valley one of the most untouched natural landscapes in New Zealand. The rare tussock wetlands provide a home for thirteen threatened species, including the great spotted kiwi (Roa) and the giant land snail Powelliphanta "patrickensis". Solid Energy claim they can relocate the snails using "earth-moving equipment", move the kiwi, and dig up part of the wetland then put it back when the mining is finished. Given Solid Energy's long history of environmental catastrophes, environmentalists are sceptical. Burning the coal from the new mine as part of steel manufacturing will contribute an estimated 13 million tonnes of carbon dioxide gas towards global climate change - four times the greenhouse gas emissions of Christchurch! British scientific journal Nature, predicts that climate change could result in the destruction of over a million plant and animal species. Climate change has quite likely already started to affect us, with aberrant weather patterns and intensified storms like Hurricane Katrina.

## History of Destruction

Solid Energy claims that they come close to having a "positive

impact" on the environment are ridiculous. Their Stockton mine has no effective water treatment - when it rains, streams coming out of the mine turn black with sediment and coal fines. Pollution from Stockton, including acid mine drainage, enters Herbert Creek and Whirlwind Stream through leaky drains. Dead trees stand ghost-like upstream of a failed dam on the Waimangaroa River. The Ngakawau River is so polluted that locals are reluctant to swim in it, and new mines at Stockton threaten water supplies at Granity and Jones Creek. Solid Energy recently renamed acid mine drainage as "Acid Rock Drainage" - trying to blame rocks for mine pollution! Uncontrolled surface fires and ground instability led to vegetation damage around the underground Strongman mine near Greymouth in the mid-1990s. Giant landslips in 2002 were caused by poor mining practices.

In February 2005, Solid Energy promised the Buller Conservation Group and Ngakawau Riverwatch that they would not mine Mt Augustus for 3 months. A month later that promise was broken.

Concerned at the

state of the Ngakawau River, two Stockton miners formed Ngakawau Riverwatch to monitor the river. The group quickly took off, gaining 300 members, mostly locals. Even though the miners were experienced and qualified in open-cast mining, both lost their jobs when Solid Energy switched contractors. One was refused an ordinary job in part of the mine where he had been a supervisor. Effectively, they were sacked. Meanwhile, the miners' homes are threatened with flooding as Solid Energy diverts streams from other catchments into the Ngakawau River. The need to continually increase production at the mine results in more pits, more rock dumps and more floods.

## The failure of due process

With so much damage to such an ecologically important area, what is the Department of Conservation (DOC) doing? Initially, DOC, along with environmental NGOs and iwi, appealed against Solid Energy in the Environment Court, but then "resolved" its differences



DOC scientist Kath Walker surrounded by hundreds of shells from the endangered Powelliphanta. ([www.doc.govt.nz](http://www.doc.govt.nz))

before the hearing even began. DOC did not present any of its research at the hearing and its employees were barred from giving evidence on behalf of Forest and Bird. The appeal process became a farce as the majority of experts on the mine's environmental impact were gagged. Ridiculously, the only evidence on the great spotted kiwi was given by a Solid Energy witness!

Given the failure of due process, direct action from the Save Happy Valley Coalition has become the main channel for opposition. Besides the on-site occupation, activists have also targeted government, picketing the recent "Climate Change and Government" conference in Wellington. "The government is hopelessly compromised and hypocritical in its stated commitment to stop climate change when it stands to make huge profits from Solid Energy's plans for massively increasing coal production" said a coalition spokesperson. In late January 2006, more than 75 people tramped into Happy Valley to begin the third and final occupation. They have maintained a continuous presence at the site ever since and will continue the occupation indefinitely.

## Eco-politics and a socialist strategy

To date, the campaign around Happy Valley has, for the most part, taken an "eco-centric" approach: the conservation of rare species and the nature is seen as always opposed to industry and economic growth. Socialists agree that saving the environment is one of the most urgent political issues in today's



*Occupation: protestors put their bodies on the line to save Happy Valley. Direct action can be a springboard for winning popular support.*

world. Global warming threatens life as we know it, while taonga like Happy Valley should be protected for all people, present and future, to enjoy. But we don't see "industry" itself as the root cause of environmental damage, but the way industry is organised - for profit. The pioneering German social scientist Karl Marx wrote in Capital that "capitalist production develops only by sapping the original sources of all wealth - the soil and the labourer". Private ownership and the hierarchical structure of industry and profits actively discourages resource conservation, recycling and pollution control, because they decrease private profits - and never mind about the true cost of pollution, which local people and taxpayers will carry. Blaming industry or economic development, rather than the profit system, often leads to environmentalists focusing their efforts in the wrong places. Working people - the most powerful potential defenders of the environment, are often seen

as brainwashed slaves of industry, or worse, the enemy. Change is sought through isolated publicity stunts (with eco-terrorism as the extreme end) or consumer campaigns that aim to guilt-trip workers to buy for a better world, or educate or regulate corporations. But education and regulation will always fail in the end because competition for profits is the motor of capitalism - and for competition nothing is sacred.

Socialists are unreservedly behind actions in defence of the environment, that's why we argue for campaigns that aim to mobilise as many people as possible. A handful of people in the wilderness can't stop the bulldozers on their own. But with a grassroots propaganda campaign aimed at winning the support of working New Zealanders, Happy Valley can be saved. In the long run we can learn from the "green bans" strategy that the unions used in the 1970s for the best way to save the planet.

**Cory Anderson**

# Reviews

## "V for Vendetta"

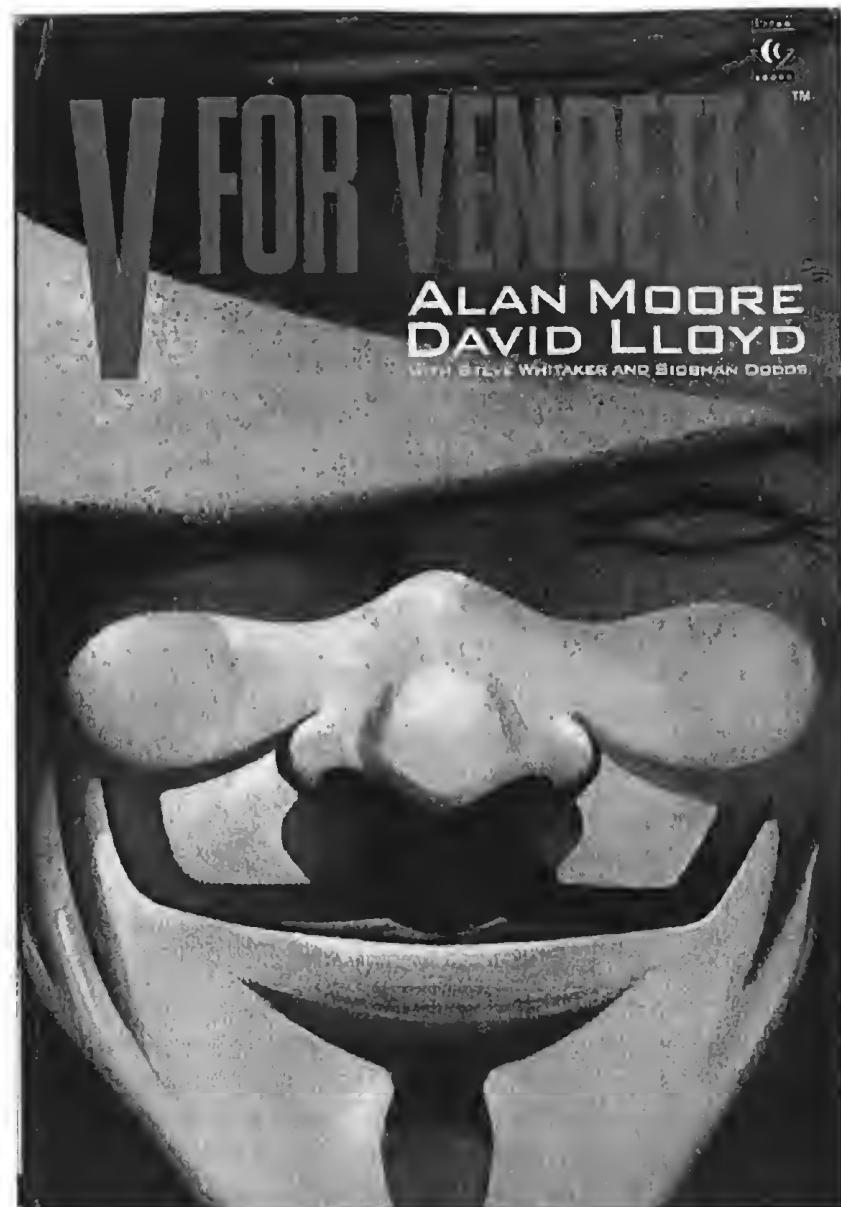
Director: James McTigue

Reviewed by Jim Phraser

The film is set in 2020 England, where a totalitarian religious party has risen to power through parliament, and now holds absolute power over its scared population. The 'Hero' of the story is "V", a Faustian-mask wearing person looking to complete the failed Guy Fawkes mission of the 1605 Gunpowder Plot: to blow up the Houses of Parliament. V is striving to destroy the totalitarian regime's power. In his mission he comes across Evie, who he convinces of the importance of his plans.

The movie demonstrates the tendency of the state apparatus to repress, and eventually terrorise, its citizenry. Homosexuals, dissidents and other 'abnormal' people have to hide from the state. Many elements of this future society have 'Big Brother-esque' features, necessary for maintaining such an illegitimate government. After 9/11, many governments stepped up repressive 'state security' measures - particularly The Patriot Act [in the US] - and it is not hard to see how, by playing upon fear, this could lead towards ideas expressed in the film.

Some have noted how the hero was frankly a bit of a "toff" and quite hard to relate to. Whilst it seems the role was a parody, the mixture of upper-class, overeducated verbosity with activism/terrorism is quite hard to relate to. As socialists, we reject the idea that you can



awe the masses into emancipation through symbolic acts of guerrilla-style heroics, rather than building democratic mass opposition. Ultimately you can blow up parliamentary buildings, but to destroy pervasive parliamentary ideological institutions requires real grassroots struggle.

You should still definitely see this film, as there are so many issues that arise from its content and it is heartening that such a film is in the mainstream.

## 'A People's History of Science'

Clifford D Connor, Nation Books

Reviewed by Ian Rappel for Socialist Review (UK)

Biologist Stephen Jay Gould once argued, "I am somehow less interested in the weight and convolutions of Einstein's brain than in the near-certainty that people of equal talent have lived and died in cotton fields and sweatshops."

In a climate of public

ignorance, attempts to explain the history of human scientific achievement are to be welcomed. Unfortunately, most attempts have been heavily influenced by the bourgeois "big men/women" approach. Thus the history of science becomes a list of scientists who have laboured independently to establish their particular theories.

There's no doubting the historical significance of renowned scientists such as Isaac Newton, Robert Boyle, Marie Curie and Charles Darwin, but the social context in which they worked — and more especially their interactions with other groups in society — is neglected. In this respect, Clifford D Connor's *A People's History of Science* is a welcome corrective.

Connor traces the major scientific breakthroughs of history with the aim of showing "how ordinary humans participated in creating science in profound ways". He starts by outlining how early human societies, especially hunter-gatherers, used interpretive methods that were analogous to science to maintain their livelihoods.

He then assesses the contribution of ancient Greek scholars, especially Plato and Aristotle, to our view of science as an elite, theoretical body of knowledge — the property of a specialised group within society. In contrast to this approach, Connor goes on to highlight the significant impact of sailors, miners, merchants, midwives, craft workers and artisans in scientific developments during the mathematic and scientific

revolutions of the 17th and 18th centuries. He concludes by discussing the rise and dominance of capitalism over science.

The book's materialist and class conscious approach makes a valuable contribution to the history and public understanding of science. However, there are a number of serious problems.

Connor's fleeting treatment of the modern era is particularly frustrating. The most significant scientific achievements, from the point of view of how people's lives have been altered for better or for worse, have been facilitated by the expansion of capitalism since the 19th century.

The book runs to an impressive 505 written pages. However, Connor dedicates only 22 pages to the "Union of Capital and Science" of the 19th century, with a further 70 pages dedicated to a somewhat generalised discussion of the "20th Century and Beyond". The reader is left with an impression that the scientific contributions of hunter-

gatherers and artisans run into the sand during the 19th century. From then on, after the rise of capitalism and the industrial revolution, the input of the people into science has been restricted to occasional explosive contributions from IT hardware and software engineers from their garages.

By explicitly playing down the role of working class organisation in the class struggle and its ability to extract compromises from capital, Connor has failed to identify the defining role of people in some very important scientific developments, especially in areas of public health and welfare.

He has, however, made a good start to correcting dominant explanations of top-down science, and the book should be read for its fascinating insights into the important and neglected role of people in shaping the world around us.

**From Socialist Review (UK)**  
[www.socialistreview.org.uk](http://www.socialistreview.org.uk)

"A delightfully refreshing new look at the history of science."  
— HOWARD ZINN

## A PEOPLE'S HISTORY OF SCIENCE



MINERS, MIDWIVES,  
AND "LOW MECHANICKS"  
CLIFFORD D. CONNER

# Letters

## Organising at Pak 'n' Save

Dear Editors

I have worked at Pak'N'Save Dunedin for over 4 years and in all that time there has been absolutely no union activity. But earlier this year several of us got together with Ken Young, of The National Distribution Union, and talked about the possibility of pushing for a collective agreement. The Union had recently been successful with putting a collective agreement into place at the local Foodstuffs warehouse (the parent company of Pack'N'Save) so Ken was confident with the suggestion, as long as we had more members. By lunchtime the next day we had tripled the membership within the store. This was enough to satisfy Ken and soon site meetings were organized and Ken gave notice to the company that negotiations were imminent. The site meeting tripled membership again despite some attempts by management to 'encourage' people not to join. The membership is still a small proportion of the total workforce but it has been encouraging and inspiring to see how many people have joined the union. It is especially good to see young people joining, those that have no experience with unions. At present, negotiations are stalled as management take a four-week overseas holiday so we are impatiently waiting for the fun to begin. I am sure that I speak for all my fellow union

members when I offer solidarity and support to all those involved in negotiations, especially the SWFU Age Care Workers.

**Nil Carborundum Illegitimi**

Rae Sinclair

## Blame the bosses for job losses

Dear Socialist Review,

I'd like to thank you for such a great job with the last issue of Socialist Review. I especially think the articles regarding the shrinking of the New Zealand economy were right on the ball. With layoffs at the Dunedin Sealord plant, and Fonterra and Wickliffe announcing the firing of most of their Dunedin workers, this "shrinking" is hitting pretty close to home for many Dunedin workers. And again, you're right to place the blame with the bosses. I know at my own company (one of the above) investment on new equipment over the last twenty years has been almost absent. And even since I've been working there, there's been a noticeable increase in the number of my co-workers starting earlier in the morning and working later at night. I think that the only way that we can improve our lot as workers is to fight against longer working hours, and fight for higher wages – to force the bosses to invest in our infrastructure and stop getting such a free ride off of our hard work.

Chris



## Why the media lies

Dear Socialist Review,

I write this letter to urge caution from everyone when heeding information from a mainstream news source. As we well know, capitalism means a tendency for uniformity between competing companies and the news media is no exception. When newspapers and other media outlets began in the Eighteenth Century, their purpose and aim was to "provide information about the activities of those in positions of power so that the effects those people and activities have on ordinary citizens can be understood and then responded to". These days however, media coverage is no longer seen as a duty to report to fellow citizens, but as another business, with no goal other than to make as much money as possible. Once the aim of our entrusted informants switches from informing to money making, the content of our news is

bound to change also and sensationalism – news stories to entertain rather than to enlighten, is inevitable.

In this day and age with huge amounts of technology involved in creating newspapers and broadcasting shows, revenue for such enterprises must be very substantial. The sale price of a single newspaper, for instance, does not cover the cost of its production. Therefore, advertising must be depended on which creates another mode of competition between media corporations. This reliance on advertisers means that news companies can effectively be held to ransom by their sponsors. That is to say, if an advertising company does not like what is printed in a paper, then they will pull their backing, and the newspaper will either have to find a different advertiser for funding who does not mind the offensive content, or will miss out on that much needed financial support. This leads to a restriction on what can be printed, as media content which is critical of business, implies corporate responsibility for environmental issues, mentions workers' rights, or is at odds with the commercial interests of the sponsor is unlikely to be welcome by advertisers.

Furthermore, as media companies are extremely powerful and a part of the business class, the ideas and interests of that class are going to be promoted through their broadcasts and papers. The media, of course, has a massive influence on how people perceive the world and what

opinions are mainstream and by dictating right wing values into the public consciousness they can justify the way capitalism, big business, and particularly their own media enterprise, exploits the working classes and makes for an extremely unequal society. Advertisers also have a part to play in this phenomenon as the media are going to aim their content at the rich people in a society, as they are the ones who have more money to respond to their advertising. This means that few cultural and political risks are going to be taken as radical thinkers seldom sit within the business and wealthy classes.

Alongside big business, the mass media additionally support the government, particularly governments who are cooperative with business conglomerates. The media rely on state officials for comment and information so there is a restriction on the types of questions that can be asked during interviews and the nature of information relating

to the state in papers and news programmes. The mass media cannot offend politicians lest they refuse to give information in the future and must compete with other media organisations for favourable political outlooks in order to get interviews with politicians. This leads to a censored scope on political comment and gives an increasingly narrow viewpoint on political affairs, which in time becomes an invisible ideology, accepted blindly by much of the population.

This highlights the importance of being sceptical when it comes to majority media, and how imperative it is to find current event information from additional sources such as this publication and the internet. Just because a story is published in a mainstream paper or televised on a conventional television programme, is not to say that it is fair, true, or without hidden aims and ideologies.

Alice



# Red Words

## Burning and looting

From Kingston 1974  
to Honiara 2006

**Bob Marley and the Wailers**

This morning I woke up in a curfew;  
O God, I was a prisoner, too  
Could not recognize the faces standing over me;  
They were all dressed in uniforms of brutality.

How many rivers do we have to cross,  
Before we can talk to the boss?  
All that we got, it seems we have lost;  
We must have really paid the cost.

(That's why we gonna be)  
Burnin' and a-lootin' tonight;  
(Say we gonna burn and loot)  
Burnin' and a-lootin' tonight;  
Burnin' all pollution tonight;  
Burnin' all illusion tonight.

Oh, stop them!

Give me the food and let me grow  
Let the roots man take a blow.  
All them drugs gonna make you slow now;  
It's not the music of the ghetto.

Weeping and a-wailin' tonight;  
(Who can stop the tears?)  
Weeping and a-wailin' tonight;  
(We've been suffering these long, long-a years!)  
Burning and looting to survive  
Burning and looting save our babies lives

## *Prosperity for All? Economic, Social and Political Change in New Zealand Since 1935*

By Brian Roper

Thomson/Dunmore Press 2005

The economy has a huge effect on our working lives and on our society, but, because it is controlled by a small elite, economic texts are rarely written from the viewpoint of ordinary people. In his latest book, Brian Roper, a socialist activist and academic, presents years of research into the effects of economics on ordinary people - and destroys some free market myths on the way. This book presents an original multidisciplinary interpretation of inter-related developments in the economy, civil society and polity of NZ from 1935-2004. It contains a wealth of factual information that is not easily accessible elsewhere.



Dr Brian Roper: Academic and Activist

easily accessible elsewhere. It explains the historical shift from Keynesianism to neoliberalism and the Third Way, taking into account the complex relationships between the capitalist economic system, class struggles and wider patterns of societal conflict, the shift in the prevailing economic orthodoxy from Keynesianism to neoliberalism, and the specific institutional structure of the state in NZ.

# Just what are your politics anyway?

*You may have noticed that this magazine's politics aren't quite the same as the mainstream media's. So just where do we stand? Below are some of the basic political ideas behind our magazine.*

## Socialism

Capitalism is a system of crisis, exploitation and war in which production is for profit, not human need. Although workers create society's wealth, they have no control over its production or distribution. A new society can only be built when workers collectively seize control of that wealth and create a new state in which they will make the decisions about the economy, social life and the environment.

## Workers' Power

Only the working class has the power to create a society free from exploitation, oppression and want. Liberation can be won only through the struggles of workers themselves, organised independently of all other classes and fighting for real workers' power - a new kind of state based on democratically elected workers' councils. China and Cuba, like the former Soviet Union and Eastern Europe, have nothing to do with socialism. They are repressive state capitalist regimes. We support the struggles of workers against every ruling class.

## Revolution Not Reformism

Despite the claims of Labour, Alliance and trade union leaders, the structures of the present parliament, army, police and judiciary cannot be taken over and used by the working class. They grew up under capitalism and are designed to protect the ruling class against workers. There is no parliamentary road to socialism.

## Internationalism

Workers in every country are exploited by capitalism, so the struggle for socialism is part of a worldwide struggle. We oppose everything that divides workers of different countries. We oppose all immigration controls. We campaign for solidarity with workers in other countries. We oppose imperialism and support all genuine national liberation struggles.

## Liberation From Oppression

We fight for democratic rights. We are opposed to the oppression of women, Maori, Pacific Islanders, gays and lesbians. These forms of oppression are used to divide the working class. We support the right of all oppressed groups to organise for their own defence. All these forms of liberation are essential to socialism and impossible without it.

## Tino Rangatiratanga

We support the struggle for tino rangatiratanga. Maori capitalists and politicians have

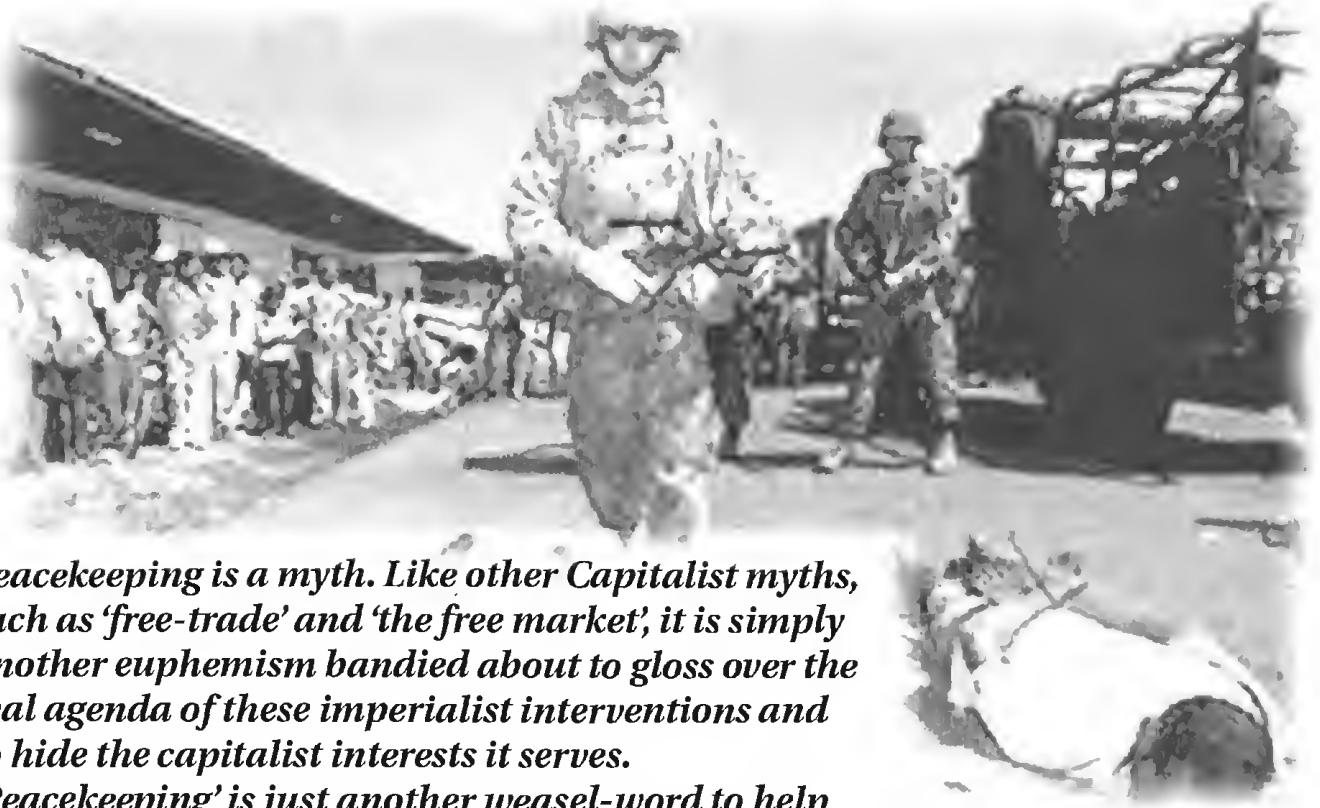


no interest in achieving tino rangatiratanga for working class Maori. The government and corporate warriors' approach to Treaty claims has benefited a Maori elite while doing little for working class Maori. Tino rangatiratanga cannot be achieved within capitalism. It will only become a reality with the establishment of a workers' state and socialist society.

## Revolutionary Organisation

To achieve socialism, the most militant sections of the working class have to be organised into a revolutionary socialist party. Such a party can only be built by day-to-day activity in the mass organisations of the working class. We have to prove in practice to other workers that reformist leaders and reformist ideas are opposed to their own interests. We have to build a rank and file movement within the unions.

We are beginning to build such a party, linking the ideas of revolutionary socialism to workers' struggles against the system. If you agree with our ideas and want to fight for socialism, we urge you to join us.



*Peacekeeping is a myth. Like other Capitalist myths, such as 'free-trade' and 'the free market', it is simply another euphemism bandied about to gloss over the real agenda of these imperialist interventions and to hide the capitalist interests it serves.*

*'Peacekeeping' is just another weasel-word to help make the continuing exploits of the rich and powerful over the poor and oppressed appear palatable to ordinary people.*

The New Zealand government says it is intervening in East Timor on "humanitarian" grounds. This is exactly the same lie told to justify intervening to bring about "regime change" in Iraq. The reality behind the supposed "humanitarian" interventions of Iraq, the Solomons and Timor is the continuation of colonial exploitation by first-world powers that has ravaged these countries for at least the last two centuries. The Solomon Islands are a case in point. Since 2003, Australian police, soldiers and administrators have occupied key positions in the Solomons' government. The neo-liberal economic policies they impose have made life worse for ordinary people, by cutting government spending and undermining traditional

land ownership. This resulted in riots in April this year, forcing the resignation of the Prime Minister, who had supported the Australian intervention. The New Zealand government has now deployed troops and police to both the Solomon Islands, and Timor. These troops are not there in the interest in the welfare of the people. On the contrary, their presence is to ensure that New Zealand capitalists gets a piece of the pie, while the population continues to starve. In Iraq, the Solomons and Timor, "stability" and inter-imperialist rivalry are the driving forces behind military action, not "humanitarianism". Anyone who wants to see a better future for our East Timorese neighbours should oppose New Zealand's bogus "peacekeeping" in Timor and the Solomons for the brutal imperialist interventions that they are.